YR PET 6 LIBYA

Department of State

EXCISE

TELEGRAM

146

11-13-71 Depet 1279

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18-LI
ACTION AF-19

INFO OCT-01 EUR-20 PM-09 NSC-10 SS-20 RSC-01 L-04 AID-28
CIAE-00 COM-08 E-15 FRB-02 INR-08 NSAE-00 TRSE-00
XMB-06 OPIC-12 TRSY-11 CIEP-01 LAB-06 SIL-01 SAL-02
OEP-01 RSR-01 /186 W

070676

R 130853Z JUL 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 7857
INFO AMEMBASSY BENGHAZI
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY THE HAGUE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cj DATE 6/22/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L TRIPOLI 1279

SUBJECT : COMPENSATION FOR NATIONALIZED PETROLEUM MARKETING COMPANIES

REFERENCE: TRIPOLI 1190 (NOTAL)

1. ESSO [redacted] HAS BROUGHT EMBASSY UP TO DATE ON PETROLEUM MARKETING COMPENSATION QUESTION. ESSO INFORMED BY LETTER FROM MINPET MABRUK, DATED JUNE 24 THAT IT AWARDED NET AMOUNT OF LIBYAN POUNDS [redacted] BY LARG COMPENSATION COMMISSION. SUBSEQUENTLY, ESSO INFORMED BY DIRGEN OF COMPANY ACCOUNTS AT MINISTRY OF PETROLEUM THAT COMPENSATION PAYMENT WOULD BE DIVIDED AMONG ESSO SUBSIDIARIES AS FOLLOWS: B 4

A) TO ESSO SIRTE (REFINING AFFILIATE) - LIBYAN POUNDS [redacted] FOR REFINED PRODUCTS DELIVERED TO THREE MARKETING COMPANIES PRIOR TO NATIONALIZATION; B 4

B) TO ESSO STANDARD LIBYA (MANAGEMENT AFFILIATE) - LIBYAN POUNDS [redacted] FOR REIMBURSEMENT OF EXPENDITURE ON BEHALF OF MARKETING AFFILIATE; B 4

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C) TO ESSO STANDARD NEAR EAST (MARKETING AFFILIATE) - LIBYAN POUNDS [redacted] IN COMPENSATION FOR NATIONALIZED MARKETING ASSETS. B4

2. ABOVE BREAKDOWN NOT DESCRIBED IN COMPENSATION LETTER, WHICH ONLY MENTIONS TOTAL. IN EFFECT, LARG INCLUDING AS COMPENSATION AMOUNT DUE OTHER ESSO AFFILIATES BY NATIONALIZED MARKETING ORGANIZATIONS. [redacted] B4

3. [redacted] B4

4. [redacted] AGIP CLAIM TOTALS [redacted] BUT WE HAVE NOT BEEN ABLE TO LEARN AMOUNT OFFERED AGIP BY LARG. B1

5. FYI: AFTER EXPIRATION OF THREE MONTH PERIOD FOR DETERMINATION COMPENSATION BUT PRIOR TO ANNOUNCEMENT OF AWARDS, ESSO WROTE MABRUK TO INFORM THAT ITS VIEWS HAD NOT BEEN SOUGHT BY COMPENSATION COMMISSION AND REQUESTED OPPORTUNITY TO BE HEARD. ESSO RECEIVED PROMPT REPLY FROM PETROLEUM U/S MUNTASIR DENYING REQUEST ON GROUNDS THAT COMPNESATION COMMISSIONS WERE INDEPENDENT BODIES AND WERE NOT OBLIGATED TO HEAR COM-

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PANIES' VIEWS. ESSO HAS NOT REQUESTED ANY ACTION BY EMBASSY BUT IS AWARE THAT POSITION OF MINISTRY OF PETROLEUM CONTRADICTS ASSURANCE GIVEN US BY MUFA THAT COMPANIES' VIEWS WOULD BE CONSIDERED. (TRIPOLI 2190). [redacted]

[redacted] END FYI. GP-4.

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